



## City of Rochester

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*FOR IMMEDIATE RELEASE*

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## City of Rochester Again Receives AAA Bond Rating

**Rochester, Michigan – July 7, 2020** – Rochester has AAA Bond rating reaffirmed.

Standard & Poor's Global Ratings has reaffirmed the City's AAA long term rating. "The rating reflects our view that the city will maintain its very strong economic, budgetary flexibility, and liquidity profile," said S&P Global Ratings credit analyst Bobby Otter. "Our expectation is that the city's good, proactive management will make the necessary adjustments to maintain balanced general fund operations, despite probable revenue decreases resulting from the COVID-19 pandemic."

Rochester Mayor Stuart Bikson said, "It is a great honor for Rochester to receive the AAA rating from Standard & Poor's. The City Council, working with city administration has demonstrated strong fiscal management in these difficult economic times. The city has delivered to the residents of Rochester balanced budgets, low taxes and excellent city services. Rochester will continue to provide strong fiscal management that will provide for the future of our great city."

The City expects to issue up to \$9 million pension obligation bond in the fall of 2020. This will reduce Rochester's net pension liability as the City expects the bond will result in savings resulting from the debt payment being less than the current pension contribution schedule. Rochester is well positioned for its pension obligation with it currently being 62.4% funded. The bond amount will bring the City up to 95% funded, which is the legal cap allowed for bonding. "The reason to bon our pension liability now is to take advantage of our exceptional AAA bond rating and the historically low interest rates, giving the City stability and a set payment schedule for the next 14 years," said City Manager Blaine Wing.

"During this time of economic uncertainty the City of Rochester, should take great pride in being reaffirmed by S&P with the highest rating of AAA. This independent rating looks at Rochester holistically taking into account what is happening locally, regionally and nationally. For context, in 2019 only 6% of municipalities in Michigan achieved the coveted AAA rating. Rochester is known as an innovative best-in-class municipality that utilizes strong financial practices with multi-year budgeting to align itself to the community's vision. This rating will allow the City of Rochester to get the lowest possible interest rate which then results in significant savings to the taxpayers," the City's Finance Director/Treasurer, Anthony Moggio said.

The S&P Report puts the City of Rochester, Michigan in an elite group of municipalities with the highest possible rating. This rating reflects the dedication of the City Council and Staff to fiscal stewardship.

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